

P-430/M-91-849 ORDER APPROVING PLAN AND REQUIRING FURTHER FILINGS

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Darrel L. Peterson  
Cynthia A. Kitlinski  
Dee Knaak  
Norma McKanna  
Don Storm

Chair  
Commissioner  
Commissioner  
Commissioner  
Commissioner

In the Matter of United  
Telephone Company of Minnesota's  
Four-Party Upgrade Plan

ISSUE DATE: December 30, 1991

DOCKET NO. P-430/M-91-849

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REQUIRING FURTHER FILINGS

**PROCEDURAL HISTORY**

In 1991 the Minnesota legislature enacted legislation to eliminate four-party service to Minnesota telephone subscribers. Minn. Stat. § 236.068 (Supp. 1991). The legislation requires all local exchange companies offering or providing four-party service to file plans to substitute two-party or one-party service by October 31, 1993. The Commission is to review and approve these plans, to monitor performance under the plans, and to report to the legislature on January 1, 1992 and January 1, 1993 on progress in eliminating four-party service.

On November 1, 1991, United Telephone Company of Minnesota (United or the Company) submitted its proposed plan for eliminating four-party service. On November 21, 1991, the Department of Public Service (the Department) filed comments recommending Commission approval of the plan, including the Company's request for an extension of the October 31 statutory deadline.

The matter came before the Commission on December 10, 1991.

**FINDINGS AND CONCLUSIONS**

**I. The Company's Plan**

United provides telephone service to approximately 106,000 customers in 46 Minnesota exchanges. Four-party service is currently being offered to approximately 1,933 United customers in 42 exchanges.

In its filed plan, United requested an extension of the statutory deadline for upgrade until December 31, 1994. The proposed delay would represent an extension of approximately 14 months. United stated that it can eliminate four-party service for 99.6% of its customers by the statutory deadline of October 31, 1993, but an extension is necessary to accommodate the remaining customers. The Company did not propose any rate change as a result of the system upgrade.

Under Minn. Stat. § 237.068 (Supp. 1991), the Commission has authority to extend the sunset of four-party service beyond the statutory deadline:

If the commission approves provision of four-party service beyond October 31, 1993, each report [by the Commission to the legislature] must include an explanation of that approval and a specific schedule for elimination of the service within the shortest feasible time after that date.

United has given three main reasons for the requested extension of the upgrade deadline: workforce assignments and procurement; outside plant and central office additions; and customer coordination.

United customarily attempts to limit costs by hiring contractors on an as-needed basis to meet peak construction needs. These contractors are not familiar with United's operations and must be supervised and trained by United personnel. When the four-party upgrade plan is implemented, additional contractors will be necessary. There is a limit to the number of such contractors who can be effectively monitored and aided by regular United personnel without jeopardizing the productivity of United employees. United also points out that implementing system upgrade projects will greatly increase the workload in the Company's service center, particularly in the assignment group. Because of these potential strains on workforce and procurement, United has requested an extension of the statutory deadline.

Another reason that United has requested a delay in implementing the final system upgrade is the necessity of other plant and central office maintenance and modernization projects. United currently has in place a systematic approach to plant and system upgrades. Without factoring in the elimination of four-party service, there are presently 63 major construction project scheduled for the 1992-1994 Minnesota planning period. An additional 38 projects are necessary to meet the statutory deadline. United feels that its customers would be better served in terms of overall system maintenance if the final elimination of four-party service were delayed until December 31, 1994.

A third reason that United has advanced for an extension of the statutory deadline is the necessity for customer coordination.

The Company indicated that, due to the nature of the four-party upgrade, it will inform customers of the project individually rather than on an exchange-wide basis.<sup>1</sup> The Company will need to replace tuned ringers on existing four-party lines with straight line ringers, necessitating individual premises visits. According to United, the necessity for these customer contacts justifies a delay.

## **II. Commission Action**

The Commission finds that United's proposed plan for upgrading its four-party telephone service is in conformity with Minn. Stat. § 237.068. Although 0.4% of United's customers would not be upgraded until after October 31, 1993, the Commission has the authority to extend the Company's deadline for a total upgrade. The Commission also notes that the number of customers who will not be upgraded within the statutory timeline is very small.

The reasons given for the Company's delay are persuasive. A limited delay of the final upgrade is justified by the overall efficiencies which will be gained. No party opposed the Company's proposed upgrade plan, including the requested time extension.

The Commission finds that United's proposed plan is reasonable and appropriate. The Company's proposed notice to customers will provide adequate notice. The Commission will approve the plan, with the added requirement of certain filed status reports and tariff updates.

### **ORDER**

1. United Telephone Company of Minnesota's plan to eliminate four-party telephone service by December 31, 1994 is approved.
2. The Company shall update its tariffs upon the complete elimination of four-party service in any exchange. The revised tariff pages should eliminate any reference to four-party service in exchanges where four-party service is no longer available. United shall include a page in its local exchange tariff, listing the exchanges where four-party service is no longer available.

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<sup>1</sup> The Company submitted a proposed customer notice which is attached to this Order as Exhibit A.

3. The Company shall file status reports regarding the elimination of four-party service on January 15, 1992, and June 1, September 1, and December 1 of 1992, 1993 and 1994.
4. The Company's proposed customer notice at Exhibit A is approved.
5. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Richard R. Lancaster  
Executive Secretary

(S E A L)